

IN THE MATTER OF CABLEVISION OF)	<u>CABLE TELEVISION</u>
HUDSON COUNTY, INC.'S FILING OF)	
FCC FORM 1240 UPDATING THE)	
MAXIMUM PERMITTED RATE FOR)	
REGULATED CABLE SERVICE USING)	STATE OF NEW JERSEY
THE OPTIONAL EXPEDITED RATE)	BOARD OF PUBLIC UTILITIES
PROCEDURES)	BPU DOCKET NUMBER CR01110707

STIPULATION OF FINAL RATES

The undersigned parties, as a result of a review of the FCC Form 1240 and timely filed public comments in this matter hereby stipulate to the following findings of fact and conclusions of law for consideration by the Board of Public Utilities ("Board"); and,

As part of the Optional Expedited Rate Procedures (Approved January 12, 1996, Docket No. CX95120636), Cablevision of Hudson County, Inc. ("Petitioner") agreed to waive the Company's litigation rights at the Office of Administrative Law ("OAL") in this proceeding. It should be noted that Petitioner's waiver was a knowing, voluntary and intelligent waiver of its litigation rights at the OAL and that the waiver did not constitute a circumvention of the Federal Communications Commission ("FCC") rules nor did it affect the Company's right to appeal in that forum.

WHEREAS, the Cable Television Consumer Protection and Competition Act of 1992, Pub. L. No. 102-385, 106 Stat. 1460 (1992), codified at 47 U.S.C. § 543 et seq., (the "Federal Act"), classified the delivery of cable television services into two separate rate regulated categories: (i) "basic service" (consisting primarily of "off-the-air" and public educational and governmental channels) and associated equipment and installation and (ii) cable programming services ("CPS") (consisting of other regulated tiers of channels) and associated equipment; and

WHEREAS, under the Federal Act, basic service is regulated by the "franchising authority"; and

WHEREAS, under the provisions of the New Jersey Cable Television Act ("New Jersey Act"), N.J.S.A. 48:5A-1 et seq., the franchising authority is the Board of Public Utilities; and

WHEREAS, the Federal Act required the FCC to issue regulations governing the standards to be used by franchising authorities in regulating basic service rates; and

WHEREAS, under the regulations adopted March 30, 1994, 47 C.F.R. § 76.900 et seq., a cable operator may adjust its rates by electing the annual rate adjustment system under the regulations adopted September 15, 1995 (47 C.F.R. § 76.922) by filing a Form 1240 and a Form 1205 on the same date; and

WHEREAS, on November 1, 2001 (revised 1/18/02), Petitioner, serving subscribers within Hoboken, North Bergen, Union City, Weehawken and West New York, filed a Form 1240, Docket Number CR01110707 with the Board seeking approval of inflation, external cost and channel change adjustments for a total decrease in the Maximum Permitted Rate of 6.3% for the period of February 1,

2002 to January 31, 2003, for a rate decrease from \$11.35 to \$10.64, exclusive of franchise fees, which would result in a total decrease in the Maximum Permitted Rate for basic service of \$.71 per month; and

WHEREAS, the Board Staff and the Ratepayer Advocate, upon review of the FCC Form 1240, supporting documentation and schedules submitted by Petitioner, have concluded that the terms of the instant Stipulation set forth below; including refunds ordered herein, compensate for overcharges as reflected on Schedule A and thereto agree that the proposed rate is just and reasonable; and

WHEREAS, the Staff, the Ratepayer Advocate and Petitioner have engaged in discussions of this matter; and

WHEREAS, the Staff, the Ratepayer Advocate and Petitioner have concluded that the Company is entitled to the above-referenced adjustment which it seeks in its FCC Form 1240 filing;

NOW, THEREFORE, Staff, the Ratepayer Advocate, and Petitioner hereby STIPULATE AS FOLLOWS:

1. Petitioner will refund approximately \$11,035.77, exclusive of interest, to all its subscribers (see Schedule A). The refund will be issued as a one time bill credit identified as "BPU Refund" and shall be distributed among all subscribers beginning the first billing cycle that occurs no later than sixty (60) days after the issuance of a final Board Order adopting the Stipulation. Interest will continue to accrue until the refund is paid.
2. Petitioner notified its customers of the proposed rate increase via a newspaper announcement and has informed them of their opportunity to submit written comments for a period of thirty (30) days.
3. The effective date for the increase in the Maximum Permitted Rate for basic service due to inflation, external costs and channel changes under Docket Number CR01110707 was February 1, 2002.
4. This stipulated rate increase shall be subject to the approval of the Board and all revenues collected as a result of this adjustment shall be subject to refund, pursuant to the rules and regulations of the FCC as well as those of the Board if the Board finds this rate increase to be unjustified in whole or in part or in any way implemented improperly.
5. This Stipulation of Settlement resolves all issues raised by this filing which are the subject of the within matter.
6. The signatories agree that, except as expressly provided herein, this Stipulation has been made exclusively for the purpose of this proceeding and that the Stipulation contained herein, in total or by specific items, is in no way binding upon the parties in other proceedings before the Board or in other forums or jurisdictions, nor are the contents of

this Stipulation, in total or by specific items, by inference, inclusion, or deletion, in any way to be considered or used by another party as any indication of the position of any party hereto on any issue litigated or to be litigated in other proceedings.

This Stipulation contains terms, each of which is interdependent with the others and essential in its own right to the signing of this Stipulation. Each term is vital to the agreement as a whole, since the parties expressly and jointly state that they would not have signed the agreement had any term been modified in any way. Each party is entitled to certain procedures in the event that any modification is made to the terms of this Stipulation. That is, each signatory party must be given the right to be placed in the position it was in before the Stipulation was entered. Therefore, if any modification is made to the terms of this Stipulation, it is essential that each party be given the option, before the implementation of any new rate resulting from this action, either to modify its own position to accept the proposed changes, or to resume the proceeding as if no agreement had been reached.

The parties believe these provisions are fair to all concerned and therefore, they are made an integral and essential element of this Stipulation. This being the case, all parties expressly agree to support the right of any other party to this Stipulation to enforce all terms and procedures detailed herein.

GLORIA J. FURLONG
OFFICE OF CABLE TELEVISION

DATED:

By: _____
Supervising Administrative Analyst

SEEMA SINGH, ACTING DIRECTOR
DIVISION OF THE RATEPAYER
ADVOCATE

DATED:

By: _____
Elana Shapochnikov
Assistant Deputy Ratepayer Advocate

CABLEVISION OF HUDSON COUNTY, INC.

DATED:

By: _____
Joseph Massa
Vice President Regulatory Compliance

SCHEDULE A

Hudson

Proposed MPR <u>11/1/01</u>	Amended MPR <u>1/18/02</u>	Refund per Subscriber <u>Subscriber</u>	Number of Subscribers <u>Subscribers</u>	Total Refund Excl. Int. <u>Excl. Int.</u>	6% Interest through 4/30/02 <u>4/30/02</u>	Total Refund <u>Refund</u>
\$10.83	\$10.64	\$.19	58,083	\$11,035.77	\$162.60	\$11,198.37